Restrictions on granting loans to State

†2193. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of FINANCE be pleased to state:

(a) whether the States are required to seek the consent of the Central Government under Article 293(3) of the Constitution of India for raising loans;

(b) what are the main restrictions with the Central Government require to be complied with by the State Governments;

(c) the major restriction that have been imposed by the Central Government with regard to investment of cash balance of the States;

(d) whether there is any proposal of total loan limit in place of the condition of consent as prescribed under Article 293(3) of the Constitution of India; and

(e) the total loan limit fixed for each of the States in the year, 2006-2007?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir.

(b) GoI has been fixing annual borrowing ceiling of the States as part of a process of restructuring of States finances to achieve fiscal sustainability over Medium Term. TFC in its report has also suggested than there is a need to ensure that the ceiling for annual borrowing prescribed for each State is consistent with the sustainability requirement of each State.

(c) No restriction have been imposed by the Central Government with regard to investment of cash balance of the States.

(d) and (e) Borrowing ceiling of each State for the year 2006-07 given in the enclosed Statement.

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†Original notice of the question was received in Hindi.

Statement

Borrowing ceiling of the States for the year 2006-07

(Rs. in crore)

SIN.	States	Borrowing ceiling
1.	Andhra Pradesh	9230
2.	Arunachal Pradesh	355
3.	Assam	2180
4.	Bihar	1957
5.	Chhattisgarh	1492
6.	Goa	870
7.	Gujarat	9654
8.	Haryana	1312
9.	Himachal Pradesh	1634
10.	Jammu & Kashmir	1510
11.	Jharkhand	3405
12.	Karnataka	4946
13.	Kerala	4672
14.	Madhya Pradesh	6305
15.	Maharashtra	20986
16.	Manipur	, 396
17.	Meghalaya	341
18.	Mizoram	249
19.	Nagaland	212
20.	Orissa	1677
21.	Punjab	4320
22.	Rajasthan	6759
23.	Sikkim	195
24.	Tamil Nadu	6988
25.	Tripura	544
26.	Uttar Pradesh	14710
27.	Uttaranchal	1904
.28.	West Bengal	11546